

FCC Form 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0345/OMB Control No. 3060-0818 July 2012
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<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
Form Type		54.313 and 54.422

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	170177
<015> Study Area Name	LACKAWAXEN TELECOM
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmers@corellc.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

170177PA112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets	Yes
<114> Report how much universal service (USF) support was received	Yes
<115> How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116> How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117> How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118> Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

Yes
Yes
Yes
Yes
Yes
Yes

<010>	Study Area Code	170177
<015>	Study Area Name	LACONAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<035>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<210> For the prior calendar year, were there any reportable voice service outages?

No

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 451
OMB Control No. 3080-0996/OMB Control No. 3080-0610
July 2013

<010> Study Area Code	170177
<015> Study Area Name	LACKAWAXEN TELECOM
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 141 OMB Control No. 3060-0988/OMB Control No. 3060-0813 July 2013
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<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWANNA TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109263903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. <div>Offered only fixed voice</div>	
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. <div>Offered only fixed broadband</div>	
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**[500] Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form**FCC Form 481
OMB Control No. 3060-0985/OMB Control No. 3080-0819
July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWANNA TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorello.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	170177PA510.pdf

(600) Functionality in Emergency Situations

Data Collection Form

FCC Form 481

OMB Control No.: 3060-0986/OMB Control No.: 3060-0819
July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LAKEMAN TELCOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109281903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	170177PA610.pdf

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmers@corellc.com
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corellc.com

[illegible]

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<810>	Reporting Carrier	Lackawaxen Telecommunications Services Inc.
<811>	Holding Company	LTC Communications Inc.
<812>	Operating Company	Lackawaxen Telecommunications Services Inc.

-- See attached worksheet --

[900] Tribal Lands Reporting		FCC Form 481
Data Collection Form		OMB Control No. 3060-1988/OMB Control No. 3060-1948
		JULY 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<900>	Does the filling entity offer tribal land services? (Y/N)	No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3080-0026; OMB Control No. 3060-0015

July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corellc.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 170177PA1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3060-0989/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Uiser
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cuiser@icorellc.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers		FCC Form 481
Lifeline Data Collection Form		OMB Control No. 3060-0026/OMB Control No. 3060-0019 July 2015

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

170177PA1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP www.ltsa.net

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carriers Additional Documentation		FCC Form 491
Data Collection Form		OMB Control No. 3081-1986/DMS Control No. 3060-0819
Including Rate of Return Carriers affiliated with Price Cap Local Exchange Carriers		JUN 2015

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TRUCOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corellie.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?

- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)
 Data Collection Form
 Including Rate-of-Return Carriers Affiliated with Price-Cap Local Exchange Carriers

FCC Form 470
 DMB Control No. 3060-0986/DMB Control No. 3060-0813
 July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

(3005) Rate Of Return Carrier Additional Documentation
Data Collection Form

FCC Form 481
OMB Control No.: 3002-0488 / OMB Control No.: 3000-0015
July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	No - Attach Explanation
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input type="radio"/> <input checked="" type="radio"/>
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	(Yes/No) <input checked="" type="radio"/> <input type="radio"/>
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	<input checked="" type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information

(3005) Rate of Return Carrier Additional Documentation (Continued)		ICC Form 481
Data Collection Form		CMS Control # 100-10861016 Control No. 100-0819
		July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXBN TELCOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorallc.com

Financial Data Summary

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends

Name of Attached Document Listing Required Information

<010>	Study Area Code	170177
<015>	Study Area Name	LACKAWAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	8109293703 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorelle.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3050-0619
 July 2013

<010> Study Area Code	170177
<015> Study Area Name	LACKAWAXEN TELECOM
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	170177
<015> Study Area Name	LACKAWAXEN TELECOM
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmers@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	LACKAWAXEN TELECOM
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/29/2016
Printed name of Authorized Officer:	Deborah Szmyd
Title or position of Authorized Officer:	Secretary/Treasurer
Telephone number of Authorized Officer:	5706851096 ext.
Study Area Code of Reporting Carrier:	170177 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	LACKAWAXEN TELECOM
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/29/2016
Name of Authorized Agent Employee:	Christopher Ulmer
Title or position of Authorized Agent or Employee of Agent	Manager
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	170177 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

<D10>	Study Area Code	170177
<D15>	Study Area Name	LACKAWAXEN TELECOM
<D20>	Program Year	2017
<D30>	Contact Name - Person USAC should contact regarding this data	Christopher Diner
<D35>	Contact Telephone Number - Number of person identified in data line <D30>	6109283903 ext.
<D39>	Contact Email Address - Email Address of person identified in data line <D30>	culmer@correlle.com

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0936/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170177
<015>	Study Area Name	LACKANAXEN TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6199283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

[illegible]

SUPPLEMENTAL DATA & RESPONSES

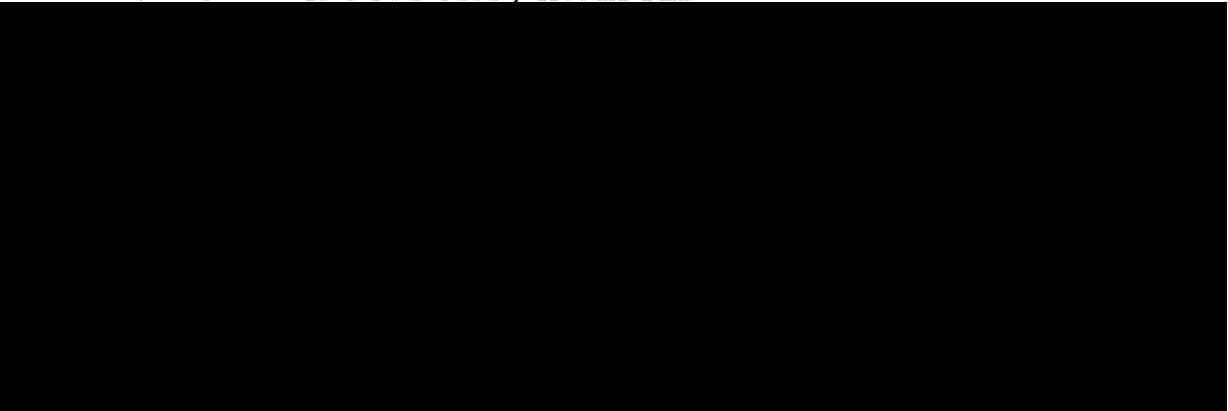
**LACKAWAXEN TELEPHONE COMPANY
FIVE YEAR SERVICE IMPROVEMENT PLAN
JULY 1, 2016 PROGRESS REPORTS**

EXECUTIVE SUMMARY

On July 1, 2014, Lackawaxen Telephone Company ("Lackawaxen" or "the Company") submitted a five year service improvement plan as required by 47 C.F.R. §54.202(a). Lackawaxen operates a single exchange in northeastern Pennsylvania. Consistent with 47 C.F.R. §54.313(a)(1), the Company now submits this progress report which reflects activities through December 2015.

At the time the five year service improvement plan was submitted, broadband service was defined as a service with speed of 4 Mbps downstream and 1 Mbps upstream. The FCC's action to change this definition to 10 Mbps downstream and 1 Mbps upstream upon reasonable request was not reflected in the initial plan. This report provides an assessment of the Company's achievements to date in network investment to target the new, higher download speed requirement.

UNIVERSAL SERVICE SUPPORT / INVESTED



SERVICE CERTIFICATION

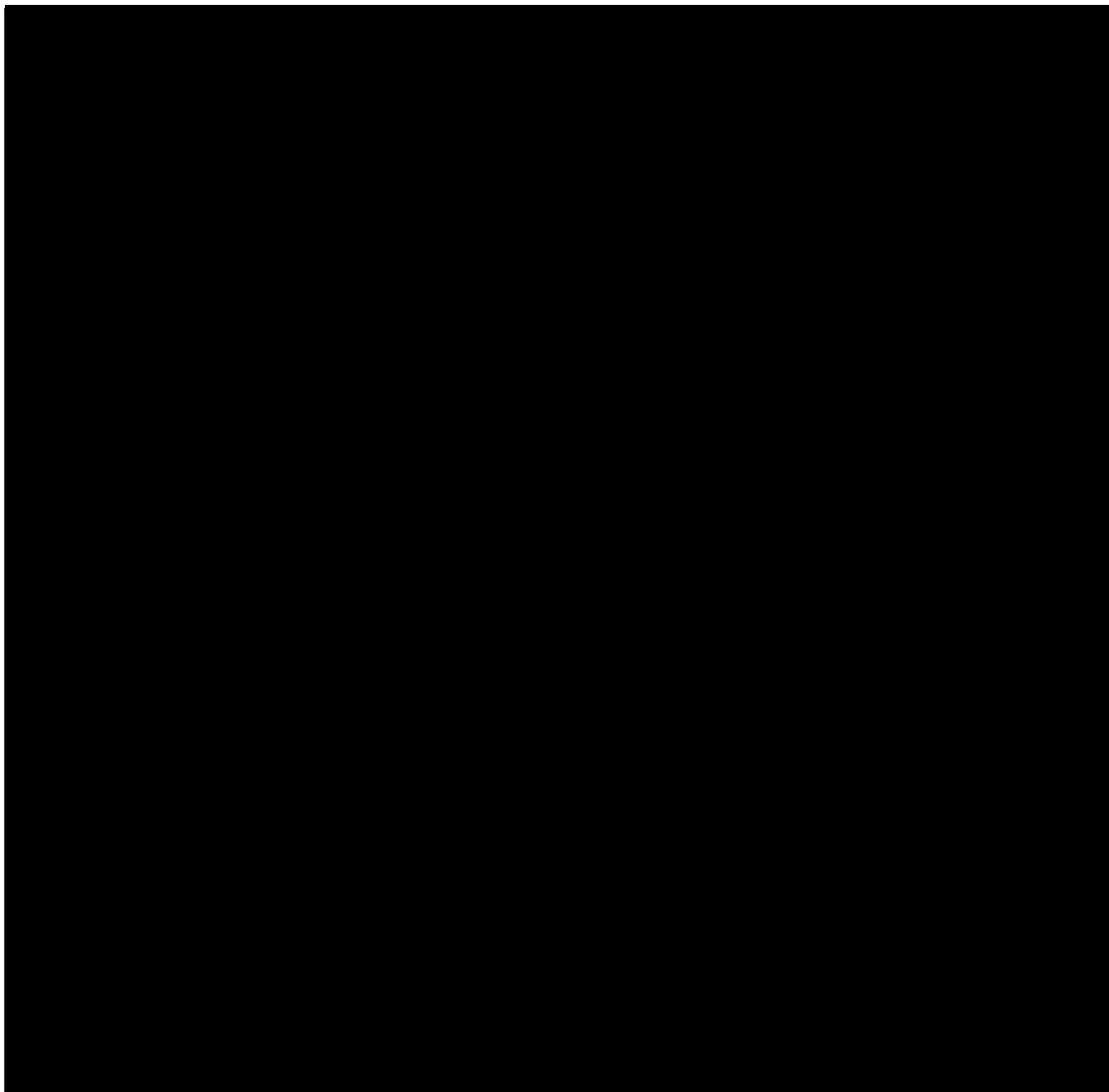
As set forth in 47 C.F.R. § 54.313(f)(1)(i), the Company hereby certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1Mbps upstream. This service offers latency suitable for real-time applications, including

¹ Allocation in compliance with reporting requirement addressing how federal USF was used by the Company per 47 C.F.R. § 54.313(A)(1).

Voice over Internet Protocol. Usage capacity is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time.

SERVICE PROGRESS - EXCHANGE MAP

Funds received from the universal service support mechanisms, in combination with all other revenue streams will allow the Company to maintain and upgrade the existing broadband network. In the July 1, 2014 five-year plan, the level of 4/1 broadband availability within Lackawaxen was 94%. The map below shows the Lackawaxen Telephone Company study area exchange boundaries and highlights (in green) the areas within which broadband is available at 10/1 speeds. It is estimated that this represents about 58% of the existing customer base.



Company
Study Area Code
Supplemental Data For:

Lackawaxen Telecommunications Services
170177
Line 510 – Service Quality Standards and Consumer Protection
Rules Compliance

RATES AND RATE STABILITY

New customers are provided rate information at the time they order service. The rate information is prepared based on tariffs which are on file with the state public utility commission and available for inspection at our office. In addition rates are available on the company website. Notices of rate changes proposed by the Company are communicated to the customers through a bill notice or other comparable means. The Company complies with all state and federal rules applicable to rate changes.

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for service plans the Company will disclose material charges and conditions related to the advertised prices and services. This notice will provide the potential customer with , including if applicable and to the extent the advertising medium reasonably allows: (1) whether nonrecurring installation charges would apply; (2) the monthly fee associated with the service; (3) whether any additional taxes, fees or surcharges apply; (3) the terms and conditions related to receiving a product or service for "free;" and (4) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

TRUTH-IN-BILLING

The Company has long maintained compliance with the FCC's Truth-in-Billing rules as set forth in 47 CFR 64.2401. In part, this requires the Company's telephone bill must: (1) be accompanied by a brief, clear, non-misleading plain language description of the service or services rendered; (2) identify the service provider associated with each charge; (3) clearly and conspicuously identify any change in

Company	Lackawaxen Telecommunications Services
Study Area Code	170177
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

service provider; (4) contain full and non-misleading descriptions of charges; (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and (6) provide a toll free number for customers to call in order to lodge a complaint or obtain information.

Customers' bills will distinguish (1) monthly charges for service and features, and other charges collected and retained by the carrier, from (2) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. The Company will not label cost recovery fees or charges as taxes.

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers and potential customers may access customer service by visiting the Company's office or by using a toll-free telephone number during normal business hours. Customer service contact information is available at our business office with regular hours posted on the storefront. In addition, this information is available online and on the monthly invoice rendered by the company.

ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

The Company complies with all state and federal rules regarding the privacy of customer information. Certification of this compliance is provided annually to the FCC.

RESPONSE TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

The Company will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency. Should the agency require a shorter interval for response, the Company will use its best efforts to expedite the review of the complaint to provide a response which meets the agency-provided target date.

Company	Lackawaxen Telecommunications Services
Study Area Code	170177
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

TERMINATION OF SERVICE

The Company follows the state public utility commission's rules for termination of service.

Service cannot be terminated without advance notice to the customer. If service is being terminated for non-payment, the customer will have the option to establish a payment plan. So long as the customer adheres to the payment plan, service will not be disconnected.

Customers may terminate service at any time and for any reason. The Company does not assess any termination penalty and the customer is simply required to pay for the services which were used while the service was provided.

REDACTED - FOR PUBLIC INSPECTION

Company	Lackawaxen Telephone Company
Study Area Code	170177
Supplemental Data For:	Line 610 – Description of Functionality in Emergency Situations

As an initial point, the Company had no service outages during 2015 which met the FCC's threshold for reporting into the Network Outage Reporting System ("NORS").

The Company engages in preventative maintenance programs which help ensure network reliability in all conditions. This includes regular checks on generators, battery back-up, HVAC infrastructure at central office switches, and tree trimming/removal when trees have the potential to take down telephone lines during events of high wind or heavy snow. Access to critical infrastructure (like central office switches) is limited to essential personnel. Spare equipment is maintained in inventory.

Like most local exchange carriers, the Company's network consists of electronic switching equipment and a network of fiber optics and copper facilities. From a switching standpoint, the Company has one primary switch and smaller switches which are fed by the primary switch. These smaller switches are often referred to as intraexchange remote switches or concentrators. The largest threat to switches is the loss of power. To address this, the Company ensures adequate battery back-up is maintained. For emergency situations which extend beyond the useful life of the battery back-up, the Company uses generators to power the switches. These generators are portable which ensures they can be relocated to any switching center based on the specific needs of each switch. In addition, the Company's office will serve as a Command and Control center. This center is included as a primary location to which continuous power is required.

In cases of emergency, the Company's management has contact information for all employees. Depending upon the scope of the emergency, the Company may call-in as many employees as necessary to provide continual telecommunications service. The Company has access to local and regional construction companies which can be called in to supplement the work force if necessary. When poles are down from emergencies, the Company works with other utilities attached to the same poles to expedite the repair or replacement of the infrastructure.

In summation, the Company takes preventative measures to plan for emergency situations and also takes steps to mitigate the risk or duration of such events.



June 14, 2016

I, Mark Zarambo, hereby certify that Lackawaxen Telecommunications Services, Inc. pricing of voice services is no more than two standard deviations above the applicable national average urban rate for voice service as specified in the most recent public notice issued by the Wireline Commission Bureau.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark Zarambo", written in a cursive style.

Mark Zarambo

Vice President/General Manager

LOCAL ACCESS. GLOBAL REACH.

P.O. Box B, HOTEL ROAD
ROWLAND, PENNSYLVANIA 18457

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WEBSITE www.ltis.net

Lackawaxen Telecommunications
Services, inc.

Section 3
Fourth Revised Sheet 5
Cancels Third Revised Sheet 5

LIFELINE SERVICE

A. DESCRIPTION

Lifeline Service is a federally funded program established to provide monthly assistance to residential low income households who qualify for this service in accordance with the following Regulations.

B. REGULATIONS

1. Lifeline Service is available to qualified residence customers and is provided via a residence individual Dial Tone Line. Lifeline Service is limited to only one Service per qualified customer or household (a household is defined as "any individual or group of individuals who are living together as one economic unit" an economic unit is "all adult individuals contributing to and sharing in the income and expenses of a household"). A potential Lifeline customer who has an outstanding final bill for telephone service which is less than (4) years old must pay the entire balance of any Basic Service final bill before being eligible for Lifeline Service. (C)
2. Residence Lifeline Service consists of the following tariffed standard features and optional customer elected services at the applicable rates, charges and regulations for each feature and service provided:
 - a. One-Party Residence Unlimited Service and Local Measured Service, if available.
 - b. Directory Listing (standard only).
 - c. Non-Published or Non-Listed Telephone Number Service.
 - d. Access to Directory Assistance Service.
 - e. Touch Tone Calling Service.
 - f. Access to Message Toll Telephone Service and Optional Dial Station-To-Station Calling Plan Services. However, the Residence Lifeline Dial Tone Line will be blocked from dial station access to 976/556/900 and any other type of Audiotex Service.
 - g. Access to Operator Services.
 - h. Voluntary Toll Restriction Option.
 - i. Access to 800/888 Services.
 - j. Access to Call Trace.
 - k. Access to Alerting and Reporting Systems (9-1-1 dialing).
 - l. Access to the Pennsylvania Telecommunications Relay Service.
 - m. Caller ID Per-call and Per-line Blocking
 - n. Other eligible telecommunications services at tariff rates.

(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012

LIFELINE SERVICE

B. REGULATIONS (cont.)

3. An applicant for Lifeline Service must be a current participant in one of the following Pennsylvania programs, or be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States (except Alaska and Hawaii) and the District of Columbia. Recertification of Lifeline Service participants must be conducted annually by Lackawaxen Telephone Company to ensure continued eligibility. Lifeline customers have the responsibility to notify the Telephone Company within thirty (30) days of a change in eligibility status if they no longer qualify for Lifeline Service.

Pennsylvania Department of Public Welfare Lifeline Service Programs:

- * Temporary Assistance for Needy Families (TANF)
- * * *
- * Supplemental Security Income (SSI)
- * Medicaid
- * Supplemental Nutrition Assistance Program (SNAP) (f/k/a Food Stamps)
- * Low Income Home Energy Assistance Program (LIHEAP)

(C)

Additional Eligible Programs (Federal)

- * Federal Public Housing
- * National School Free Lunch Program

The DPW Programs listed above must be certified by DPW. Such certification by DPW will be provided only when a DPW client requests Lifeline Service based on the client's status as a participant in any of the above eligibility programs. Certification by DPW will be limited to confirmation of the client's program status (i.e., participation or non-participation). Participation by DPW is subject to execution of an agreement with DPW and Lackawaxen Telephone Company.

4. Lifeline Service will be provided to a customer only so long as such customer continues to meet the participation and certification guidelines in B.3. above. At the time of initial establishment of Lifeline Service, the customer agrees to have his or her eligibility recertified annually by Lackawaxen Telephone Company. When the Company is notified by the customer or determines through recertification that the Lifeline Service customer is no longer a participant in the DPW programs in B.3. above or otherwise low-income eligible, the customer will be notified (by telephone or letter) that the Lifeline Service rate is no longer applicable. Within the stated customer notification period (30 days from the date of the notification), the customer can contact the Company to negotiate new Dial Tone Service arrangements at applicable tariff rates (no connection charges will apply for existing services or options retained). If the customer does not contact the Company by the end of the notification period, the Lifeline Service will be changed to applicable Exchange Area Dial Tone Line service at existing tariff rates (no connection charges will apply to existing services or options retained).

(C) Indicates Change

Issued: November 16, 2012

Effective: November 17, 2012

Lackawaxen Telecommunications
Services, Inc.

Section 3
Second Revised Sheet 7
Cancels First Revised Sheet 7

LIFELINE SERVICE

B. REGULATIONS (cont'd)

5. A Lifeline Service customer may not subscribe to any other type of residence Local Exchange Service at the same or other premises. Lifeline Service will not be provided via Foreign Exchange or Foreign Central Office Service arrangements.
6. Only services listed in B (2) above will be provided to Lifeline customers.
- * * * (C)
7. Customer requested temporary suspension of Lifeline Service is not permitted.
8. Lifeline Service does not apply to applicants who are full time students living in university or college controlled housing.
9. The applicant must not be a dependent for Federal Income Tax purposes, unless he or she is 60 years of age or older.
10. Lifeline customers are subject to all Residence service regulations in this and other tariffs of Lackawaxen Telephone Company.
11. Residence Lifeline Service cannot be resold by the Lifeline customer or the Lifeline customer's agent(s).
12. Resale of Lifeline Services are subject to wholesale rate obligations under Section 251 (c)(4) of the Telecommunications Act of 1996.
13. All outstanding charges, account balances and service restrictions apply to existing customers who qualify for Lifeline Service. Service restrictions will remain until the arrearage(s) have been paid in full.
14. Any Lifeline customer who has a past due balance of Toll Charges will be treated with the appropriate Chapter 64 regulations. The Residence Toll Restoral Charge applies to Lifeline Customers who are suspended for non-payment and who subsequently pay their outstanding toll charges and request toll restoral. If a Lifeline customer is toll restricted for a second occurrence the Company may, at its discretion, place the Lifeline customer on permanent toll restriction.
15. Toll-Blocking and Toll-Control services will be provided at no charge to Lifeline Service subscribers, to the extent that they are offered.

(C) Indicates Change

Issued: March 30, 2012

Effective: April 2, 2012

Lackawaxen Telecommunications
Services

Section 3
Third Revised Sheet 8
Cancels Second Revised Sheet 8

LIFELINE SERVICE

C. LIFELINE SERVICE DIAL TONE LINE MONTHLY RATE

1. Applicable Residence Dial Tone monthly rate minus \$9.25 ⁽¹⁾. (I)
* * * (C)
2. Lifeline Service is subject to all applicable state, local and federal taxes, and surcharges, and to all applicable tariff rates, charges, surcharges and regulations. (C)

NOTE:

- ⁽¹⁾ See FCC Public Notice released May 1, 2012, In re: *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Do Nos. 11-42 et al., CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012). (C)

(I) Indicates Increase
(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012

Company	Lackawaxen Telephone Company
Study Area Code	170177
Supplemental Data For:	Line 3010b – 5 Year Plan Milestone Certification

This certification is embedded within the 5 year plan update that has been filed.

**Lackawaxen Telecommunications
Services, Inc.**

Financial Statements

December 31, 2015 and 2014



BAKER TILLY

Candor. Insight. Results.

Lackawaxen Telecommunications Services, Inc.

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December 31, 2015 and 2014

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BAKER TILLY

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Independent Auditors' Report

Board of Directors
Lackawaxen Telecommunications Services, Inc.

We have audited the accompanying financial statements of Lackawaxen Telecommunications Services, Inc., which comprise the balance sheet as of December 31, 2015 and 2014, and the related statements of comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lackawaxen Telecommunications Services, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 9, 2016, on our consideration of Lackawaxen Telecommunications Services, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lackawaxen Telecommunications Services, Inc.'s internal control over financial reporting and compliance.

Baker Tilly Viechow Krause, LLP

Wyomissing, Pennsylvania
March 9, 2016

Lackawaxen Telecommunications Services, Inc.

Balance Sheet

December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents		
Accounts receivable:		
Due from subscribers and agents, less allowance for uncollectible accounts 2015		
Due from affiliates		
Materials and supplies inventory, at average cost		
Prepaid expenses		
Prepaid income and other taxes		
Total current assets		
Investments and Other Assets		
Investment in equity securities		
Cash surrender value of life insurance		
Deferred debt expense, at amortized cost		
Nonregulated plant, at cost, net of accumulated depreciation		
Other		
Total investments and other assets		
Telephone Plant, at Cost		
In service		
Under construction		
Accumulated depreciation		
Total telephone plant		
Total assets		

See notes to financial statements

Lackawaxen Telecommunications Services, Inc.

Balance Sheet

December 31, 2015 and 2014

	2015	2014
Liabilities and Stockholder's Equity		
Current Liabilities		
Current maturities of long-term debt		
Accounts payable		
Customers' deposits		
Deferred income taxes		
Total current liabilities		
Long-Term Debt, Net of Current Maturities		
Deferred Compensation		
Deferred Income Taxes		
Total liabilities		
Stockholder's Equity		
Common stock, par value [REDACTED] per share; authorized [REDACTED] shares; issued and outstanding [REDACTED] shares		
Paid-in capital		
Retained earnings		
Accumulated other comprehensive loss		
Total stockholder's equity		
Total liabilities and stockholder's equity		

See notes to financial statements

Lackawaxen Telecommunications Services, Inc.

Statement of Comprehensive Income

Years Ended December 31, 2015 and 2014

	2015	2014
Operating Revenues		
Local service		
Access service		
Toll service		
Miscellaneous		
Provision for doubtful accounts		
Total operating revenues		
Operating Expenses		
Plant specific		
Plant nonspecific:		
Depreciation		
Other		
Customer operations		
Corporate operations		
Operating taxes other than income		
Provision for income taxes		
Total operating expenses		
Income from operations		
Nonregulated and Other Income (Expense)		
Nonregulated:		
Revenues		
Expenses		
Other income, net		
Income tax expense		
Total nonregulated and other income		
Income before fixed charges		
Fixed Charges		
Interest on long-term debt		
Amortization of debt expense		
Total fixed charges		
Net income		
Other Comprehensive Income (Loss)		
Net unrealized holding gains (losses) on investments arising during the period		
Total comprehensive income		

See notes to financial statements

Lackawaxen Telecommunications Services, Inc.

Statement of Stockholder's Equity

Years Ended December 31, 2015 and 2014

	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances, December 31, 2013					
Net income					
Other comprehensive loss					
Balances, December 31, 2014					
Net income					
Other comprehensive income					
Balances, December 31, 2015					

See notes to financial statements

Lackawaxen Telecommunications Services, Inc.

Statement of Cash Flows

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Provision for doubtful accounts		
Deferred compensation		
Deferred income tax benefit		
(Increase) decrease in assets:		
Accounts receivable		
Material and supplies inventory		
Prepaid expenses		
Prepaid income and other taxes		
Increase (decrease) in liabilities:		
Accounts payable		
Accrued expenses and customer deposits		
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Advances to affiliates		
Purchase of plant		
Plant removal costs		
Increase in cash surrender value of life insurance policies		
Net cash used in investing activities		
Cash Flows Used in Financing Activities		
Principal payments on long-term debt		
Net change in cash and cash equivalents		
Cash and Cash Equivalents, Beginning		
Cash and Cash Equivalents, Ending		
Supplementary Cash Flows Information		
Interest paid		
Income taxes paid		

See notes to financial statements

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

1. Principles of Consolidation and Nature of Business

The Company is an independent telephone utility providing communication services in parts of Pike and Wayne Counties, Pennsylvania.

The Company is a wholly owned subsidiary of Lackawaxen Telecom, Inc., a wholly-owned subsidiary of LTC Communications, Inc.

2. Significant Accounting Policies

Accounting and Rate Regulation

The Company is subject to the accounting principles of and rate regulation by the Pennsylvania Public Utility Commission.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company's revenues are recognized when billed. Access service and long distance service revenues are derived from access charges, toll rates and settlement arrangements. The Company records retroactive settlements as changes in revenues in the year the settlements become known in accordance with industry practice.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company maintains its cash and cash equivalents in checking and money market accounts. These balances, from time to time, may exceed amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, agings of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

Investments

The Company has a portfolio of marketable equity securities. All securities are classified as available-for-sale. These securities are recorded at fair value based on quoted market prices and unrealized gains and losses, net of taxes, are reported as a component of other comprehensive income until realized. Realized gains and losses are determined using the specific-identification method.

Amortization of Deferred Debt Expense

Debt expense is deferred and amortized on the straight-line basis over the term of the related long-term debt.

Plant and Depreciation

Plant is recorded at cost. Normal renewals and betterments of units of property are charged to plant accounts, while ordinary repairs and replacements of items considered to be less than units of property are charged to plant specific expenses. The cost of plant retired, plus removal costs, less salvage is charged to accumulated depreciation. Accordingly, no gain or loss is recognized in connection with ordinary retirements.

Depreciation is computed by the straight-line method. Rates used for calculating depreciation are based on the economic useful lives of the assets. The effective composite depreciation rates for 2015 and 2014 were [REDACTED] respectively.

Accounting for Impairment of Long-Lived Assets

FASB ASC *Topic 360, Property, Plant and Equipment*, requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. As of December 31, 2015 and 2014, management of the Company believes that no write-down for such impairment was required related to its long-lived assets.

Income Taxes

The Company is included in the consolidated federal income tax return filed by LTC Communications, Inc. The Company's federal income tax expense is computed using the separate return method for intercorporate tax allocation.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company is subject to federal income tax in the consolidated return filed by LTC Communications, Inc. and files a separate state income tax in Pennsylvania.

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

Savings Plan

The Company has a contributory savings plan for substantially all employees. The Company contributes matching amounts for participating employees in accordance with the provisions of the plan. In addition, the Plan includes a profit sharing component. The Company made matching contributions of [REDACTED] to the plan in 2015 and 2014, respectively. The Company did not make any profit sharing contributions to the plan for 2015 or 2014.

Presentation of Sales Taxes

The Company collects sales tax from customers. The Company's accounting policy is to exclude the taxes collected and remitted to the state from revenues and operating expenses.

Subsequent Events

The Company has evaluated events and transactions occurring subsequent to the balance sheet date of December 31, 2015 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through March 9, 2016, the date these financial statements were available to be issued.

3. Investment in Equity Securities

The following is a summary of the Company's investment in available-for-sale securities as of December 31, 2015 and 2014:

	Cost	Gross Unrealized Losses	Fair Value
December 31, 2015			
Equity securities	[REDACTED]		
December 31, 2014			
Equity securities			

There were no purchases or sales of equity securities for the years ended December 31, 2015 and 2014.

Equity investments are comprised of investments in common stock whose value is determined by unadjusted quoted prices for identical securities in active markets (Level 1 of the fair value hierarchy). The Company has recorded unrealized holding losses at December 31, 2015 and 2014 on one stock investment, which has been in a continuous unrealized loss position for more than twelve months. Management believes that holding losses recorded on this investment are not an other-than-temporary impairment because the Company has the ability and intent to hold the security until the anticipated recovery in value.

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements
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4. Telephone Plant

Telephone plant in service and under construction is stated at cost. Listed below are the major classes of the telephone plant as of December 31, 2015 and 2014:

	<u>Estimated Life (in years)</u>	<u>2015</u>	<u>2014</u>
Telephone plant:			
In service:			
Land			
Motor vehicles			
Other work equipment			
Buildings			
Furniture and office equipment			
Central office and other equipment			
Poles, cables and wire			
Other			
Under construction			
Accumulated depreciation			
Nonregulated telephone equipment			
Accumulated depreciation			

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements

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5. Long-Term Debt

Long-term debt is represented by mortgage notes payable to Rural Utilities Service ("RUS"), an agency of the United States of America at interest rates as shown below:

	2015	2014
RUS		
RUS		
RUS		
RUS		
Debt repaid during 2015		
Current maturities		

The notes have maturities up to thirty-five years, and installments of approximately including interest are due quarterly. The notes are scheduled to be repaid at various times from March 2016 to June 2021. All LTSI's assets are pledged as collateral on the notes. Estimated aggregate maturities during the next five years are approximately 2016 2017

At December 31, 2015, unadvanced loan funds of were available to the Company on loan commitments from the Rural Utilities Service and the Rural Telephone Bank.

6. Capital Stock and Retained Earnings

The long-term debt agreements contain certain restrictions on the payment of dividends or redemption of capital stock. The restrictions are related in general to the Company's adjusted net worth and assets (as defined). At December 31, 2015, there was approximately available for such purposes.

7. Income Tax Matters


Net deferred tax assets and liabilities consist of the following components as of December 31, 2015 and 2014:

	2015	2014
Deferred tax asset		
Valuation allowance		
Deferred tax liabilities		



Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements
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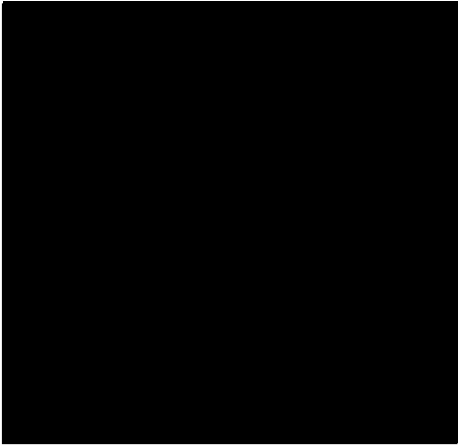
The components giving rise to the net deferred tax liabilities described above have been included in the accompanying balance sheets as of December 31, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Current liabilities		
Noncurrent liabilities		

Taxable temporary differences giving rise to deferred tax liabilities are related to telephone plant and deduction of certain prepaid expenses. Deductible temporary differences giving rise to deferred tax assets are related to unbilled revenue and deferred compensation.

The valuation allowance on deferred tax assets decreased  and increased  for the years ended December 31, 2015 and 2014, respectively.

The provision for income tax expense (benefits) for the years ended December 31, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
Federal:		
Current		
Deferred		
State:		
Current		
Deferred		

Income tax expense is reflected in the accompanying statement of income as follows:

	<u>2015</u>	<u>2014</u>
Operating expense		
Nonregulated and other income		

In accordance with industry practice, the tax effect of interest expense is included with operating income tax expense.

Lackawaxen Telecommunications Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

The income tax provision differs from the amount of income tax determined by applying the statutory tax rates to pretax income for the years ended December 31, 2015 and 2014 due to the following:

	2015	2014
Statutory income tax expense		
Increase (decrease) in income taxes resulting from:		
State income taxes, net of federal benefit		
Officers' life insurance		
Other, net		

Prepaid income taxes include [REDACTED] due to its parent for federal income taxes at December 31, 2015 and 2014, respectively.

8. Related Parties

The Company has a bill and collect arrangement with an affiliate. Revenues recognized under this agreement were [REDACTED] for the years ended December 31, 2015 and 2014, respectively. Additionally, [REDACTED] of access revenues were recognized as a result of services billed to the affiliate for the years ended December 31, 2015 and 2014, respectively.

The Company has recorded [REDACTED] in expense related to services performed by LTC Communications, Inc. for the years ended December 31, 2015 and 2014, respectively.

9. Contingencies

There are various federal and state regulatory proceedings with the Federal Communications Commission, Pennsylvania Public Utility Commission and Commonwealth Court affecting the telecommunications industry. Some of these proceedings may have an effect on the Company in the future. The impact, if any, cannot be determined at this time. Adverse decisions in these proceedings, however, could have a material effect on operating results or cash flows in future periods.

At December 31, 2015, the Company has paid the Pennsylvania Department of Revenue (the "Department") assessments of [REDACTED] for additional gross receipts taxes for the years 2009, 2010, 2011, 2012, 2013 and 2014. The tax is assessed on telecommunications revenue previously reported by LTSI as being exempt. LTSI disagrees with the Department's position and has filed an appeal. LTSI was successful in the first level of appeal for certain revenue. The remaining assessment is currently under a second level of appeal and is being held pending the outcome of an industry decision. LTSI anticipates receiving assessments for 2015 if the Company loses its appeal.



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**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
with *Government Auditing Standards***

Board of Directors
Lackawaxen Telecommunications Services, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lackawaxen Telecommunications Services, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of comprehensive income, stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lackawaxen Telecommunications Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lackawaxen Telecommunications Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lackawaxen Telecommunications Services, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lackawaxen Telecommunications Services, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Viechow Krause, LLP

Wyomissing, Pennsylvania
March 9, 2016